

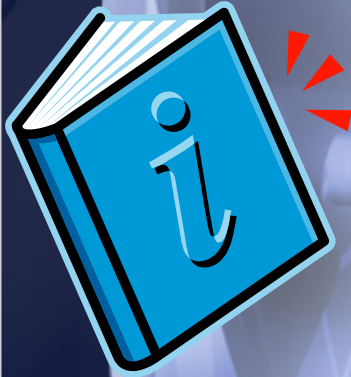


# 2012 BUSINESS TAX SYMPOSIUM

CITY OF LAKEWOOD, COLORADO

# OUTLINE

- Where Is Lakewood, What Is The Tax Rate?
- Nexus, Do I Need To Collect Lakewood Sales Tax?
- What Is Taxable In Lakewood?
- What Do I Owe Use Tax On?
- How To Report Lakewood Taxes?





# NEXUS! DO I NEED TO COLLECT

## City of Lakewood Nexus Tests

- Physical Location
- Direct Delivery (Own Trucks/Employees)
- Installation Services
- Maintenance Services (Tangible Personal Property)
- Agency
- Owning or Leasing Property In City



# WHAT IS TAXABLE IN LAKEWOOD?

- Tangible Personal Property
  - Includes Freight, And Software
- Taxable Services (Warranty, Security, Sound, Pay Television, Linen)
- Rental Services (Includes Software)



# WHAT COULD I OWE USE TAX ON?

## USE TAX TESTS:

1. Use/Stored/Consumed In Lakewood
2. Tangible Personal Property Or Taxable Service (See What Is Taxable?)
3. Sales Tax Paid Less Than 7% (4% State And Special Districts, 3% Lakewood)

**If yes to all three, then Lakewood use tax may be due!**



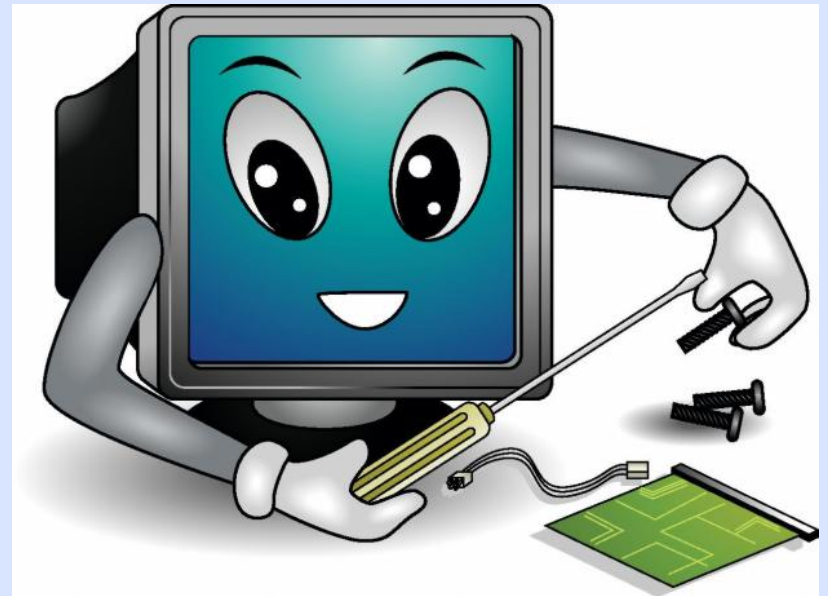


# BUSINESS EXAMPLE

**Joe's TV Shop (multiple locations, has one agent in Lakewood)**

**Sells and Repairs TVs in Lakewood**

- Sales Invoice Examples
- Use Tax Due Examples



# SALES INVOICE TIPS

- Individually Number and Date Invoices For Tracking
- Note Delivery Address Or Store Pick-Up For Proper Tax Collection
- Separate Labor/Installation Charges From Materials Sold
- If Making A Tax Exempt Sale, Get Exempt Documentation From Customer





# SALES INVOICE EXAMPLES

**Joe's T.V. Shop      06/01/12      Invoice #1**

Customer: Gilbert Lowell

Shipped To: 480 S. Allison Pkwy

Lakewood, CO 80226

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46" T.V.	\$	1,000.00
Subtotal		<u>1,000.00</u>
Tax (7.5% on \$1000.00)		<u>75.00</u>
<b>Total</b>	<b>\$</b>	<b>1,075.00</b>

# SALES INVOICE EXAMPLES

**Joe's T.V. Shop      06/06/12      Invoice #2**

Customer:    John McLane

Shipped To: 480 S. Allison Pkwy

Lakewood, CO 80226

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TV Repair (Parts)	\$	150.00
TV Repair (Labor)		250.00
Subtotal		<u>400.00</u>
Tax (7.5% on \$150.00)		<u>11.25</u>
<b>Total</b>	<b>\$</b>	<b>411.25</b>

# SALES INVOICE EXAMPLES

**Joe's T.V. Shop      06/09/12      Invoice #3**

Customer:    Arnold Poindexter

Shipped To: 480 S. Allison Pkwy

Lakewood, CO 80226

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TV 55" LED	\$	2,050.00
Delivery Charge		150.00
Subtotal		<u>2,200.00</u>
Tax (7.5% on \$2200.00)		<u>165.00</u>
<b>Total</b>	<b>\$</b>	<b>2,365.00</b>

# SALES INVOICE EXAMPLES

**Joe's T.V. Shop      06/14/12      Invoice #4**

Customer:    Harold Wormser

Shipped To: 480 S. Allison Pkwy

Lakewood, CO 80226

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TV 42" Plasma	\$	800.00
Warranty (2 years)		100.00
Subtotal		<u>900.00</u>
Tax (7.5% on \$800.00)		60.00
Tax (3% on \$100.00)		<u>3.00</u>
<b>Total</b>	<b>\$</b>	<b>963.00</b>

# SALES INVOICE EXAMPLES

**Joe's T.V. Shop      06/22/12      Invoice #5**

Customer:      City of Lakewood

Shipped To: 480 S. Allison

Lakewood, CO 80226

Copies of customer's tax  
exempt license(s) should  
be retained!

Tax Exempt Numbers: 98-XXXXXX (State)  
26427 (City)

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TV 42" Plasma	\$	750.00
Subtotal		<u>750.00</u>
Tax (7.5% on \$0.00)		<u>0.00</u>
<b>Total</b>	<b>\$</b>	<b>750.00</b>

# USE TAX DUE - INVOICE EXAMPLES

**Wyoming TV Supply Co.**

**Invoice #1**

Customer: Joe's T.V. Shop

Shipped To: Lakewood, CO 80226

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Spectrophotometer	\$	400.00
Delivery		25.00
Subtotal		<u>425.00</u>
Tax (0.0% on \$0.00)		<u>0.00</u>
<b>Total</b>	<b>\$</b>	<b>425.00</b>

**Use Tax Due on \$425.00 @ 3% for  
Lakewood**



# USE TAX DUE - INVOICE EXAMPLES

Customer	Colorado	2.9%	Invoice #2
Customer	RTD & CD	1.1%	
Shipped	Lakewood	<u>3.0%</u>	26
		7.5%	
<hr/>			
Computer	Sufficient municipal sales tax		
Warranty (4	paid on \$400.00. No tax paid		400.00
	on \$25.		25.00
Subtotal			<u>425.00</u>
Tax (7.5% on \$400.00)			<u>30.00</u>
Total	\$		455.00

**Use Tax Due on \$25.00 @ 3% for  
Lakewood**

# FILING TAX TO CITY OF LAKEWOOD

## Frequency Of Filing

- Monthly (\$300/Month Or More)
- Quarterly (\$300/Month Or Less)
- Annual (\$180/Year Or Less)

Due Date (20<sup>th</sup> Following Collection Period)

Online Filing – Only For Zero Amount Due

De Minimus And Rounding



# SUMMARY OF LAKEWOOD SALES/USE TAX

- Where is Lakewood, How Do I Know If My Sale Took Place There
- What Constitutes Nexus In Lakewood
- What Is Taxable In Lakewood
- What Use Tax Is Owed To Lakewood
- How To File Taxes With Lakewood



# **ADDITIONAL QUESTIONS? CONTACT INFORMATION**

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